DOCUMENT RESUME

ED 394 534 JC 960 251

AUTHOR Aliff, John Vincent
TITLE Faculty and Administrator Opinions on Management by Objectives (MBO) at DeKalb College.
PUB DATE 30 Apr 94
NOTE 12p.; Paper presented at the Annual Meeting of the Georgia Academy of Sciences (71st, Kennesaw, GA, April 30, 1994).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Administrator Attitudes; Administrator Role; *College Planning; Community Colleges; *Management by Objectives; Organizational Objectives; *Participative Decision Making; Program Effectiveness; *Teacher Attitudes; Teacher Role; Two Year Colleges
IDENTIFIERS *DeKalb Community College GA

ABSTRACT

In utilizing the theory of management by objectives (MBO), common goals are set by both managers and subordinates, individual members' areas of responsibilities are defined, and resource allocations are made according to the planning and achievement of objectives. At academic institutions, common benefits of MBO include measurable objectives jointly set by faculty and administrators that increase motivation and provide allocation of institutional resources and rewards for performance. At DeKalb College (Georgia), where an MBO-oriented system of management is in place, a study was conducted of faculty from the former Mathematics and Science division and middle and higher administrators to determine their opinions regarding the functioning of MBO. Survey results, based on responses from 28 faculty and 10 administrators, including 7 department chairs, 2 division deans, and the college president, included the following: (1) six faculty and two administrators were not aware that the college used MBO; (2) 14 respondents felt that objectives were declared in terms of specific achievements, while 21 agreed that completion dates were required for most objectives; (3) most faculty reported that they had not been trained in the principles of objective setting and MBO; and (4) with respect to MBO's improvement of motivation and communication, the majority of respondents gave mixed results. The results indicated that while the system essentially followed MBO principles, efforts to inform faculty regarding the system should be improved. An MBO pyramid of levels and goals from the college is appended. (TGI)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 394 534

Faculty And Administrator Opinions On Management By Objectives (MBO) at DeKalb College

by

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☒ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY
J. Aliff
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

John Vincent Aliff
DeKalb College, Gwinnett Campus
5155 Sugarloaf Pkwy.
Lawrenceville, GA 30243

JC 960 251

BEST COPY AVAILABLE

FACULTY AND ADMINISTRATOR OPINIONS ON MANAGEMENT BY OBJECTIVES (MBO) AT DeKALB COLLEGE

John Vincent Aliff, DeKalb College Gwinnett, 5155 Sugarloaf Pky., Lawrenceville, GA 30243.

ABSTRACT

MBO is defined as the setting of common goals by managers and subordinates, defining each member's areas of responsibilities and making resource allocations according to the planning and achievement of objectives. Twenty-eight faculty members of the Science and Mathematics Division and ten assorted middle and higher administrators responded. Results included: (1) respondents felt that department heads and division deans, but not faculty, have been trained in the principles of objective setting and MBO; (2) most reported that they did not know if the MBO functions of improving motivation and communication were realized; (3) proportionally more faculty felt that high goal achievement did not necessarily lead to increased rewards, but most reported that they knew objective achievement was being used this way; (4) a majority reported that the standards for goal achievement were not generally known; (5) a majority, but proportionally fewer administrators, believed that MBO contributes information for the allocation of resources for teaching; and (6) most reported that performance appraisal conferences between supervisors and subordinates emphasized coaching for improvement of performance. These results suggest that faculty could be better informed on MBO and that the basic design of the management system is in line with MBO principles. Total Quality Management (TQM) rejects MBO goal setting because "goals are retrospective interpretations of what works in an organization" and that "action precedes intent." In contrast, MBO promotes goal setting because "intent precedes action." Most respondents indicated that both approaches were complementary rather than exclusively valid.

Introduction

Management by Objectives (MBO) is a business management theory which has been used in colleges. MBO was conceptualized by Drucker (1954) and systematized by Odiorne (1965). MBO emphasizes the setting of goals by all levels of college management, including faculty at the basis of the managerial pyramid. See Figure 1. As applied to collegiate education, goal setting intends to provide motivation to plan and complete both regular and creative activities, and to supply a structure for the institution to plan resource allocations and to plan for rewards for the successful achievement of goals. MBO promulgates participative management by faculty, joint goal setting (linking) between administrative levels, and measurement and control of goals by objective rather than subjective standards. Interactions of higher level administrators with lower level personnel encourage coaching and encouragement rather than punishment.

MBO at DeKalb College

DeKalb College had from 1990-1996, what I would call a skeletal MBO system of management.

Goals are set by faculty in the process of completing the annual report submitted to higher administration each January. In this report the previous years record of goal achievement is reviewed and goals are established for the upcoming calendar year. When the goals are reviewed by department heads in the annual report process, linking of faculty goals to departmental and institutional goals occurs. However, although goal-setting should lead to allocations of institutional resources to facilitate faculty goals, there is no standard administrative process to do so. Formal MBO requires that goal setting lead to allocations of resources to facilitate goal achievement.

In a meeting of faculty members and department chair, departmental goals are similarly set for the calendar year. Those departmental goals are linked to divisional goals. Similarly, division goals are linked to institutional purpose. Deans report goals to the Vice-President for Academic affairs who reports goals to the President. Using MBO, faculty goals will lie within the boundaries of institutional purpose. Resolutions of conflict between adjacent management levels are resolved through negotiation.

An MBO axiom is the reward of superior performance in goal achievement. MBO therefore asserts that such evaluation occur on objective rather than subjective criteria. Ideally in MBO faculty are rewarded for what they do rather (objective achievement) than who they are (subjective personality attributes). At DeKalb College the administration constructed a formula for calculating merit pay raises which, in 1993, included objective achievement within a larger category of professional growth and development. A rating of "needs improvement (score of 0)", "meets requirements" (1), "exceeds requirements" (2), or "outstanding" (3) was made. Points were awarded for teaching effectiveness at twice the value awarded for objectives achievement in consideration of the institutional purpose of a two year college. Theoretically, in an ideal MBO system, more value would be awarded for goal achievement.

Review of Academic MBO Principles

The common elements of academic MBO (derived from Reddin, 1971) follow.

1. Objectives are in terms of specific achievements. Goals are measurable, output centered, realistic, attainable and time-bounded. For faculty, personal/creative objectives must be modifiable to allow for creativity and a lack of resources.
2. Objectives are set jointly and linked between administrative levels.
3. Measurement and control are emphasized. Goals are periodically reviewed.
4. Middle and higher administration levels are highly involved.
5. Knowledge of MBO is required for all levels of faculty and administration.

MBO benefits include(see Reddin, 1971 and Aliff, 1993):

1. Motivation is increased through "ownership" of goals and "participative management."
2. Order and predictability are given for the allocation of institutional resources and rewards for performance.
3. Relationships are strengthened through "face to face" contact with supervisory personnel for goal negotiation and "coaching" to improve performance.
4. Change is facilitated by the creative nature of goal setting.

Faculty and Administrator Opinions on MBO at DeKalb College

Twenty-eight faculty from the former (1993) Mathematics and Science division of DeKalb College responded. Administrator respondents included 7 department chairs, 2 division deans and 1 college president.

Selected Survey Questions and Responses

A definition of MBO was offered at the beginning of the survey. "MBO is briefly defined as the setting of goals by superiors and subordinates, defining each member's areas of responsibilities in terms or results. MBO intends to improve motivation, communication and planning through the process of goal setting and appraisal."

1. **Management by Objectives is used at my institution: (Circle all that apply)**

a. by faculty members reporting to department heads,----24

b. by department head reporting to division head,----19

c. by division head reporting to college head,----16

d. by upper management setting objectives for lower management,----14

e. not at all----8 (6 faculty and 2 administrators)

Comment - Six faculty and 2 administrators don't know we use MBO!

2. **Most objectives are declared in terms of: (Circle all that apply)**

a. specific achievements, e.g., acceptance of a publication----14

b. general achievements, conducting research----15

Comment - Ideally MBO goals should be specific.

3. **Completion dates are required for most objectives.**

a. Yes----21

b. No----5

c. Don't know----3

Comment - Ideally, goals should be time-limited. In my experience objectives become more vague when set at higher levels of administration. This may be an expected outcome of generalizing goals, but since such goals cannot be accessed, MBO may not perform effectively.

4. **Objective achievement is reviewed by higher management levels: (Circle all that apply)**

a. quarterly----2

b. annually----26

c. longer time periods----6

d. not at all----0

Comment - MBO goals should be reviewed periodically.

5. **These personnel were formally trained in the setting and evaluation of objectives: (Circle all that apply)**

a. support staff----0

b. faculty----7

c. department heads----11

d. division heads----18

e. college head----7

Comment - In order for any management system to succeed, it must be understood by all parties involved. Most faculty report that they were not trained in the application of MBO.

6. **Was the achievement of goals evaluated in an appraisal and rewards system?**

a. Yes----18

b. No----3

c. Don't know----9

Comment - Forty per cent of respondents did not know that goal achievement was included in a formula to compute merit pay raises(see above); 60% apparently knew this fact.

7. **I regard the MBO function of improving motivation as generally:**

a. successful----7

b. a failure----3

c. giving mixed results----19

8. **If you regard the MBO system as a failure or as giving mixed results in motivating employees, why did it not succeed? (Circle all that apply)**

a. higher administration prescribed goals, thereby stifling creativity.----10

b. MBO principles were not explained to all those involved in goal setting.--14

c. setting goals led to entrapment if all objectives were not achieved fully.--10

d. goals, once set, could not be modified and opportunities were lost.----5

e. the goals of subordinates conflicted with the goals of supervisors.----6 (5 administrators)

f. goals setting procedures and standards for achievement were not uniform among administrative(including faculty) levels.----6

Comment - *a* through *f* are standard reasons why MBO has failed at certain collegiate institutions (Aliff, 1993)

9. **I regard the MBO function of improving communication as generally:**

a. successful----8

b. a failure----0

c. giving mixed results----22

10. **Generally I regard the MBO function of improving planning for the allocation of institutional resources as:**

a. successful----11

b. a failure----0

c. giving mixed results----18 (4 of 8 administrators)

Comment - Ideally MBO provides information for the allocation of institutional resources.

11. **In regards to performance appraisal and rewards related to goal achievement, my department, division or college is a(n):**

a. open system in which most employees feel that high performance leads to increased rewards and that the standards for rewards are generally known.--8

b. closed system in which most employees feel that high performance does not necessarily lead to increased rewards and that the standards for rewards are not generally known.----7

(0 administrators)

c. mixture of characteristics from open and closed management systems.---13

Comment - Most respondents and proportionally more faculty report that their MBO has some characteristics of a closed system (for more information on open and closed systems see Thompson and Dalton, 1970).

12. **Which were the closed aspects of your MBO system? (Circle all that apply)**

a. high achievement in pursuing and achieving goals does not necessarily lead to increased rewards.----14 (3 administrators)

b. the standards for rewarding goals achievement are not generally known.

----13 (2 administrators)

c. conferences between supervisors and subordinates to negotiate and link goals do not occur.---5

d. faculty have no input into divisional or college goals.----1

Comment - Of those who thought there were aspects of a closed management system, proportionally more faculty believe that high performance does not necessarily lead to increased rewards and that the standards for rewarding goal achievement are not generally known. Faculty should be convinced that high achievement will be rewarded. In order to build trust, the standards for goal achievement should be made known by administrators.

13. **My institutional MBO system contributes to the allocation of resources for teaching.**

a. Yes----16 (3 administrators)

b. No----4 (1 adm.)

c. Don't know----9 (4 adm.)

Comment - For a two year college, MBO should emphasize teaching.

14. **My institutional MBO system contributes to the allocation of resources for professional development and research.**

a. Yes----12

b. No----6

c. Don't know----13

Comment - DeKalb College recognizes that faculty (MBO author Peter Drucker's term is "knowledge workers") not only teach knowledge but create knowledge.

15. **Performance appraisal conferences between supervisors and subordinates emphasize: (Circle all that apply)**

a. criticism and punishment,----3

b. coaching and improvement of performance,----20

c. positive feedback and rewards,----11

d. no conferences occur.----1

Comment - MBO encourages "face to face" negotiation and "coaching" to improve performance. DeKalb College's MBO system scores well here.

16. **I believe that regarding the process of institutional management: (Circle all that apply)**

a. intent precedes action-goals control institutional activities,----7

b. action precedes intent--goals are retrospective interpretations of what works,----6

c. a and b are complementary.----15

Comment: Total Quality Management (TQM) rejects MBO on the point of making goals. TQM authors have said in essence that following goals (outcomes) is like "driving by looking through the rear view mirror" (Deming, 1986). Are goals backwards or forwards looking statements of intent? Does intent precede action or does action precede intent; thus, are goals "retrospective interpretations of what works in an organization" (Hossler, 1986)? This study and Hossler's (1988) support that both viewpoints are held valid by faculty.

Conclusion

Management theories such as TQM and MBO share a belief in the desire of workers to improve their own work and the collective work of their institution. They share a belief in participative management in the best of democratic traditions. Educational institutions should reflect those shared values of democracy. Institutions must resist the notion that democracy is a form of chaos which confuses management and, instead, strive for the invigorating sense of self worth that open discussion and negotiation promises. In the heart of MBO lie good intentions and in its soul the art of compromise.

Literature

1. Aliff JV: A review of Management by Objectives in college science departments with an emphasis on democratic approaches. Georgia Journal of Science 51:2, p.81-96, June 1993.
2. Deming WE: "Out of the Crisis" Cambridge, MA, M.I.T., 1986.
3. Drucker PF: "The Practice of Management" New York, Harper and Row, 1954.
4. Hossler D: An investigation of the knowledge claims supporting goal based planning and organizational culture as keys to excellence in educational organizations. School of Education, University of Indiana. Educational Abstracts ED295-305, pp.70, Apr. 1988.
5. Reddin WJ: "Effective Management by Objectives: The 3-D Method of MBO." New York, McGraw-Hill, 1971.
6. Odiorne G: "Management by Objectives" New York, Pitman, 1965.
7. Thompson PH and Dalton GW: Performance appraisal: managers beware. Harv Bus Rev 48:149-158, 1970.

Figure 1. Levels of Goals and Objectives at DeKalb College

The MBO Pyramid